



Washington State Department of Financial Institutions

## Division of Credit Unions

### Winter 2024 UPDATE

#### INITIATIVES FOR 2024

The Division of Credit Unions' main initiatives and objectives for 2024 are:

##### **Focusing on Development of Team**

Division has filled all its examiner and supervisor positions and begins 2024 fully staffed. We have hired a team of qualified staff for both the Safety and Soundness and Specialty Examination programs. While several of our examination staff are new to the Division, many come from the industry and bring experience and strong financial analytical skills, which will strengthen our examination program. Strengthening our examination program ultimately benefits credit unions and consumers.

##### **Developing Subject Matter Experts Program**

The Division is incorporating a subject matter expert (SME) program to further focus on training in areas such as Member Business Lending, Bank Secrecy Act, Interest Rate Risks, Small Credit Union Examinations, and others.

#### CREDIT UNION NUMBERS AS OF SEPT. 30, 2023

**48**

State Chartered Credit  
Unions

**4.5 Million**

Washington State Chartered  
Credit Union Members

**\$84 Billion**

Total Assets of  
Washington State  
Chartered Credit Unions



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### EXAMINATION FOCUS FOR 2024

On Jan. 11, 2024, the Division of Credit Unions issued Bulletin [B-24-01](#) highlighting areas which examiners will be focusing on. Examination focus for 2024 will include:

1. Liquidity Risk
  - a. Assess Credit Union Liquidity Levels, Policies, Procedures and Liquidity Monitoring Practices
  - b. Review Asset and Liability Committee (ALCO) and Board Minutes
2. Earnings Risk
  - a. Review credit unions' annual budget projections and final budgets
3. Interest Rate Risk
  - a. Review the Asset and Liability Committee (ALCO) activities
  - b. Review the outcomes of interest rate shock tests
4. Consumer Compliance
  - a. Continue to conduct stand-alone consumer compliance exams for state-chartered credit unions with \$500 million or more in assets
5. Information Security and Technology
  - a. Focus on emphasizing Business Continuity Plans (BCP)
  - b. Emphasize the importance of ensuring credit unions' understanding of NCUA's new cyber incident reporting rules
  - c. Examiners will keep evaluating credit unions' third-party service providers risk management framework